

Taking Action, Legislatively

In addition to the programs outlined above, additional VA health services are offered to veterans on a limited basis. However, due to existing statutes, the veteran population cannot fully utilize these essential services. Legislative action is necessary to modify these programs to meet the Committee's recommendations.

In-Home Respite Care Services

VA has a well-developed, though not universally available, system of respite care services, primarily using VANH beds. Chronically ill and disabled veterans who normally reside at home are able to use this service on a mostly scheduled basis, for up to 30 days per year.

Respite care in VA has been provided under a specific statute since the mid-1980s. The statute limits the provision of respite service to VA-operated beds. Since care in the home is the preferred location for respite, VA could contract for or provide respite services in the home. Respite care also could be provided in community nursing or community residential care homes.

Residential Care/Assisted Living

Residential living with assistance, or assisted living, is a rapidly growing area in long-term care. As a level of care, assisted living has many meanings. At a minimum, services include the provision of room, board, and general healthcare supervision. In some settings, assisted living includes the provision of routine nursing care. Some assisted living centers provide full apartments for residents; others utilize shared bedrooms with dormitory-style recreation and eating rooms.

VA has provided an assisted living level of care through the domiciliary programs (VA and State) and the CRC program. However, like the CRC program, VA is directly

prohibited from financing assisted living care for veterans.

As VA expands its options for home- and community-based care, the use of assisted living will be increasingly important. In fact, while VA is prohibited by law from paying for assisted living services, many state programs are moving in that direction, both to cut costs as well as to offer appropriate services to more individuals.

VA must be able to take advantage of this remarkable development in selected long-term care markets. Properly implemented and targeted, reimbursement for assisted living can lessen the demand for higher-cost nursing home care.

Nursing Home Eligibility

The Committee discussed the problem of nursing home eligibility at great length. Eligibility for nursing home care (VANH and CNH) was not changed by the 1996 Eligibility Reform Act and remains a discretionary service. The Committee believes that nursing home eligibility remained unchanged because of cost considerations.

The Committee finds that access to this needed service will continue to diminish over time because of eligibility rules, as well as the complexities and misunderstandings of the VERA model. The Committee also is concerned that management performance measures and other Committee recommendations will be insufficient to counter the economically rational disposition against nursing home care.

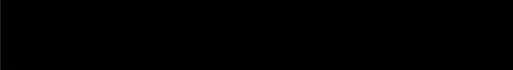
As a result of these concerns, the Committee is recommending a limited nursing home benefit for the enrolled population. Veterans needing nursing home care would be eligible for 100 days of nursing home care per year, provided by VA or at VA expense,

following a period of VA hospitalization. The Committee envisions that this benefit will operate independently of current nursing home rules and operations. Policies regarding the use of hospital-based nursing homes and long-term CNH placements for veterans with service-connected disabilities would remain unaffected by this new nursing home benefit.

The Committee cannot precisely estimate the cost of this recommendation, because there is no way to know how many veterans would be attracted to this benefit and enroll in VA for their healthcare for this specific benefit. Based on projected hospital discharges, the Committee estimates the cost of this initiative at \$221 million in FY 1999.

Implications

The respite care and assisted living proposals enhance VA's ability to provide long-term care services in the most appropriate settings. These initiatives are in line with state programs. The limited nursing home benefit would be an expansion of the basic benefit package under Eligibility Reform. The expansion appears financially manageable and recognizes the importance of nursing home care in VA's system.

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- VA should seek legislative authority to broaden respite care in 38 U.S.C. 1720B, to include its provision in all settings.
 - VA should seek legislative authority to allow for the payment of assisted living/residential care under 38 U.S.C. 1730.
 - VA should seek legislative authority to include a limited, 100 day/patient/year nursing home benefit, following a period of VA hospitalization, under 38 U.S.C. 1710 and 1720, notwithstanding current nursing home rules and policies.